

SECOND REGULAR SESSION

# HOUSE BILL NO. 1254

## 97TH GENERAL ASSEMBLY

---

INTRODUCED BY REPRESENTATIVES BERRY (Sponsor), JONES (110), WOOD, WALKER, SOLON,  
FRAKER, MORRIS, PFAUTSCH, LICHTENEGGER, REDMON, GUERNSEY, FRANKLIN,  
KELLEY (127), CONWAY (104), LAIR, PIKE, MESSENGER, ELMER, HANSEN, WIELAND, REIBOLDT,  
WILSON AND KOENIG (Co-sponsors).

5013L.011

D. ADAM CRUMBLISS, Chief Clerk

---

### AN ACT

To amend chapters 32 and 143, RSMo, by adding thereto two new sections relating to taxation,  
with an emergency clause.

---

*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Chapters 32 and 143, RSMo, are amended by adding thereto two new  
2 sections, to be known as sections 32.383 and 143.013, to read as follows:

32.383. 1. **Notwithstanding the provisions of any other law to the contrary, with**  
2 **respect to taxes administered by the department of revenue under this chapter and**  
3 **chapters 143, 144, and 147, an amnesty from the assessment or payment of all penalties,**  
4 **additions to tax, and interest shall apply with respect to unpaid taxes or taxes due and**  
5 **owing reported and paid in full from August 1, 2014, to October 31, 2014, regardless of**  
6 **whether previously assessed, except for penalties, additions to tax, and interest paid before**  
7 **August 1, 2014. The amnesty shall apply only to tax liabilities due or due but unpaid on**  
8 **or before December 31, 2013, and shall not extend to any taxpayer who at the time of**  
9 **payment is a party to any criminal investigations or to any civil or criminal litigation that**  
10 **is pending in any court of the United States or this state for nonpayment, delinquency, or**  
11 **fraud in relation to any state tax imposed by this state.**

12 2. **Upon written application by the taxpayer, on forms prescribed by the director**  
13 **of revenue, and upon compliance with the provisions of this section, the department of**  
14 **revenue shall not seek to collect any penalty, addition to tax, or interest that may be**  
15 **applicable. The department of revenue shall not seek civil or criminal prosecution for any**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended  
to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

16 taxpayer for the taxable period for which the amnesty has been granted unless subsequent  
17 investigation or audit shows that the taxpayer engaged in fraudulent or criminal conduct  
18 in applying for amnesty.

19       3. Amnesty shall be granted only to those taxpayers who have applied for amnesty  
20 within the period stated in this section, who have filed a tax return for each taxable period  
21 for which amnesty is requested, who have paid the entire balance by October 31, 2014, and  
22 who agree to comply with state tax laws for the next eight years from the date of the  
23 agreement. No taxpayer shall be entitled to a waiver of any penalty, addition to tax, or  
24 interest under this section unless full payment of the tax due is made in accordance with  
25 rules established by the director of revenue.

26       4. All taxpayers granted amnesty under this section shall in good faith comply with  
27 this state's tax laws for the eight years following the date of the amnesty agreement. If any  
28 such taxpayer fails to comply with all of this state's tax laws at any time during the eight  
29 years following the date of the agreement, all penalties, additions to tax, and interest that  
30 were waived under the amnesty agreement shall become due and owing immediately.

31       5. If a taxpayer is granted amnesty under this section, such taxpayer shall not be  
32 eligible to participate in any future amnesty for the same tax.

33       6. If a taxpayer elects to participate in the amnesty program established in this  
34 section as evidenced by full payment of the tax due as established by the director of  
35 revenue, that election shall constitute an express and absolute relinquishment of all  
36 administrative and judicial rights of appeal. No tax payment received under this section  
37 shall be eligible for refund or credit.

38       7. Nothing in this section shall be interpreted to disallow the department of revenue  
39 to adjust a taxpayer's tax return as a result of any state or federal audit.

40       8. All tax payments received as a result of the amnesty program established in this  
41 section, other than revenues earmarked by the Constitution of Missouri or this state's  
42 statutes, shall be deposited in the state general revenue fund.

43       9. The department may promulgate rules or issue administrative guidelines as are  
44 necessary to implement the provisions of this section. Any rule or portion of a rule, as that  
45 term is defined in section 536.010, that is created under the authority delegated in this  
46 section shall become effective only if it complies with and is subject to all of the provisions  
47 of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are  
48 nonseverable and if any of the powers vested with the general assembly under chapter 536  
49 to review, to delay the effective date, or to disapprove and annul a rule are subsequently  
50 held unconstitutional, then the grant of rulemaking authority and any rule proposed or  
51 adopted after the effective date of this section, shall be invalid and void.

52       **10. If any provision of this section or its application to any person or circumstance**  
53 **is held invalid, the invalidity does not affect other provisions or applications of this section**  
54 **which can be given effect without the invalid provision or application, and to this end the**  
55 **provisions of this section are severable.**

56       **11. This section shall expire on December 31, 2021.**

**143.013. 1. As used in this section, the following terms mean:**

2       **(1) "Business income", income greater than zero arising from transactions and**  
3 **activity in the regular course of the taxpayer's trade or business and includes income from**  
4 **tangible property if the acquisition, management, and disposition of the property constitute**  
5 **integral parts of the taxpayer's regular trade or business operations. "Business income"**  
6 **shall not include compensation as such term is defined under subsection 1 of article IV of**  
7 **section 32.200, or any income arising from farming or agribusiness transactions or**  
8 **activities;**

9       **(2) "Eligible C-corporation", a C-corporation with a net income not exceeding five**  
10 **hundred thousand dollars;**

11       **(3) "Eligible small business", any business, including any sole proprietorship,**  
12 **partnership, S-corporation, limited liability company, or limited liability partnership with**  
13 **a net income not exceeding one hundred thousand dollars and that is subject to the tax**  
14 **imposed in this chapter, excluding withholding tax imposed by sections 143.191 to 143.265;**

15       **(4) "Taxpayer", any eligible C-corporation or eligible small business.**

16       **2. (1) For all taxable years beginning on or after January 1, 2014, in addition to all**  
17 **other modifications allowed by law, a taxpayer shall be allowed to subtract fifty percent**  
18 **of the taxpayer's business income from the taxpayer's federal adjusted gross income when**  
19 **determining the taxpayer's Missouri adjusted gross income, to the extent such business**  
20 **income is included in federal adjusted gross income.**

      Section B. Because immediate action is necessary to secure adequate state revenue, the  
2 enactment of section 32.383 of this act is deemed necessary for the immediate preservation of  
3 the public health, welfare, peace, and safety, and the enactment of section 32.383 of this act is  
4 hereby declared to be an emergency act within the meaning of the constitution, and the enactment  
5 of section 32.383 of this act shall be in full force and effect upon its passage and approval.

✓